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 DUSTIN JOHNSON AND DORA BLACKMAN*

**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE NORTHERN DISTRICT OF TEXAS
 AMARILLO DIVISION**

IN RE:

MCCLAIN FEED YARD, INC., et al.,¹

Debtors,

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CASE NO. 23-20084-RLJ-7

Jointly Administered.

¹ The Debtors in these chapter 7 cases are: McClain Feed Yard, Inc. (Case No. 23-20084-RLJ), McClain Farms, Inc. (Case No. 23-20085-RLJ), and 7M Cattle Feeders, Inc. (Case No. 23-20086-RLJ).

**DENNIS BUSS, ET AL., OBJECTION AND OPPOSITION TO
MOTION TO TRANSFER JOINTLY ADMINISTERED CASES**

TO THE HONORABLE ROBERT L. JONES, BANKRUPTCY JUDGE:

DENNIS BUSS, BUSS FAMILY TRUST, EDDIE BRYANT, ROBERT E. GRAY, RONNIE GRAY, GRAY BROTHERS, CRAIG SUTTON, AMY SUTTON, STEVE RYAN, JANICE LAWHON, AJ JACQUES LIVING TRUST, GUNGOLL CATTLE, LLC, LEAH GUNGOLL, MORRISON CAFÉ, LLC, GARY LESH, JAN LESH, LESH FAMILY TRUST, JARED LESH, JORDAN LESH, LLC, JOEL BROOKSHIRE, GENE BROOKSHIRE FAMILY, LP, DOUGLAS FINLEY, SCARLET AND BLACK CATTLE, LLC, BRYAN BLACKMAN, STEVE T SCOTT FARM, INC., SCOTT LIVESTOCK COMPANY, INC., ARNOLD BRAUN TRUST, ROBERT BRAUN, JIM RININGER, ROBERT SPRING, MICHAEL EVANS, MIRANDA EVANS, CHARLES LOCKWOOD, COLE LOCKWOOD, SHERLE LOCKWOOD, NIKKI LOCKWOOD, LYNDAL VAN BUSKIRK, JANET VAN BUSKIRK, COLBY VAN BUSKIRK, SUSAN VAN BUSKIRK, JIMMY GREER, DUSTIN JOHNSON AND DORA BLACKMAN, through counsel, hereby objects to and files this Opposition to Meagan B. Goad and Kinsey Moreland’s (collectively “Movants”) *Motion to Transfer Jointly Administrated Cases* [Docket No. 82] (the “Motion”), and would respectfully show the Court as follows:

FACTUAL AND PROCEDURAL BACKGROUND

1. Dennis Buss, et al., respectfully adopts by reference the factual allegations and arguments submitted in Debtor’s Response Opposed to Motion to Transfer Venue [Doc. 88], Rabo Agrifinance LLC’s Objection and Opposition to Motion to Transfer Jointly Administered Cases [Doc. 90], Trustee’s Response in Opposition to Motion to Transfer Jointly Administered Cases [Doc. 95], and HTLF Bank’s Response in Opposition to Motion to Transfer Jointly Administered Cases [Doc. 96]. In addition to those reasons, Dennis Buss, et al., states as follows:

2. Prior to bankruptcy, Brian McClain, the owner of McClain Feed Yard, Inc., McClain Farms, Inc., and 7M Cattle Feeders, Inc. (collectively the “Debtors”), perpetrated a complex scheme to commit fraud through the purchase and sale of cattle, which resulted in several hundred millions of dollars in damages and affected numerous individuals. The operation of McClain’s scheme involved raising money from investors, using that money to purchase cattle, selling the cattle out of trust, and ultimately failing to remit the proceeds from sales to the original owner of the cattle.

3. The majority of McClain’s scheme was carried out under the mask of McClain Feed Yards, Inc. (Hereford, Texas) and 7M Cattle Feeders, Inc. (Friona, Texas), both of which solely operated in Texas. *See* Dkt. No. 88, at 6. Further, the majority of Dennis Buss, et al., reside in Texas or Oklahoma, and most of the losses they suffered were from cattle operations and fraudulent activity that occurred at the Debtors’ Texas facilities.

4. On April 18, 2023, less than two weeks after the appointment of a Chief Restructuring Officer that was investigating the Debtors’ financial affairs, Brian McClain (“Decedent”) committed suicide.

5. Prior to Debtors’ filing for bankruptcy, AgTexas Farm Credit Services, a federally chartered agricultural credit association, filed a lawsuit in Deaf Smith County, Texas against the Debtors and Rabo Agrifinance, LLC., in which AgTexas asserted claims arising out of the Debtors’ Texas operations. It is worth noting that Dennis Buss, et al., intervened in the lawsuit brought by AgTexas.

6. On April 28, 2023, the Debtors filed their voluntary petitions for relief under Chapter 7 of the Bankruptcy Code with this Court.

7. On July 18, 2023, Meagan B. Goad and Kinsey Moreland, daughters of Decedent, filed their *Motion to Transfer Jointly Administered Cases*, moving to have the cases transferred to the United States Bankruptcy Court for the Western District of Kentucky.

ARGUMENT

8. Pursuant to 28 U.S.C. § 1408, a bankruptcy case may be brought in any judicial district:

- (1) in which the domicile residence, principal place of business in the United States, or principal assets in the United States, of the person or entity that is the subject of such case have been located for the one hundred and eighty days immediately preceding such commencement, or for a longer portion of such one- hundred-and-eighty-day period than the domicile, residence, or principal place of business, in the United States, or principal assets in the United States, of such person were located in any other district; or
- (2) in which there is pending a case under title 11 concerning such person's affiliate, general partner, or partnership.

9. *Principal Place of Business in Texas.* Two of the three Debtors' (McClain Feed Yard, Inc. and 7M Cattle Feeders, Inc.) principal place of business was in Texas. *See* Dkt. No. 88, at 6. Thus, the Northern District of Texas is a proper venue for both entities. Although McClain Farms, Inc. is a Kentucky corporation with its principal place of business in Kentucky, McClain Farms is an affiliate of both McClain Feed Yard and 7M Cattle Feeders, thus making the Northern District of Texas an available and proper venue for McClain Farms.²

10. *Dennis Buss, et al.; Majority Domicile and Losses in Texas/Oklahoma.* Of Dennis Buss, et al., the overwhelming majority reside in Texas or Oklahoma, and the majority of their losses suffered were from cattle operations and fraudulent activity that occurred at McClain Feed Yard and 7M Cattle Feeders, both of which are Texas facilities. Due to the number of parties and

² McClain Farms was 100% owned by the same person/entity (Brian McClain) as both McClain Feed Yard and 7M Cattle Feeders.

claims arising out of Texas and Oklahoma, transferring this case to Kentucky would cause unnecessary expense to Dennis Buss, et al.

11. *Substantial Portion of All Claims and Damages in Texas.* Further, a substantial portion of the claims asserted against the Debtors arise from the State of Texas. *See* Dkt. No. 88, at 6–7. In the McClain Feed Yard and 7M Cattle Feeders cases, Texas has the majority of claims and number of claimants. *See Id.* At 6–7. If Oklahoma amounts are added to the Texas amounts, the amount of claims and number of claimants greatly outnumber the other areas—especially Kentucky. *See Id.*

12. *Unnecessary Burden and Expense.* Despite the existence of parties in Kentucky, the claims related to those parties arise out of operations and losses that occurred in Texas. Thus, transferring this case to Kentucky would do more harm than good when considering the burden and expense the overwhelming majority of parties and witnesses would endure.

13. *Movants Lack Standing.* The Movants do not have standing to bring the Motion as neither Goad nor Moreland allege to be the Debtor’s creditors, nor do they assert that any pecuniary interest will be directly affected by the bankruptcy proceedings. Thus, the Movants are not parties in interest and do not have standing.

14. *Overwhelming Opposition to Transfer.* It is also important to note that seemingly all parties and counsel—including the Debtor’s—are opposed to transferring venue to the Western District of Kentucky.

WHEREFORE, PREMISES CONSIDERED, Dennis Buss et al., respectfully requests that this Court deny the *Motion to Transfer Jointly Administered Cases* and award such further relief, general or special, at law or in equity, to which Dennis Buss, et al., is rightfully entitled.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served via electronic and/or U.S. Mail on August 8, 2023, upon all parties entitled to such notice as provided by the ECF filing system.

/s/ John Massouh

John Massouh

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